



**METROPOLITAN
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November 4, 2009

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Deputy Executive Director, Operations

**REQUEST FOR PROPOSAL
TRANSIT PERFORMANCE MONITORING PROGRAM
Letter of Invitation**

Dear Consultant:

The Metropolitan Transportation Commission (MTC) is the regional transportation planning and funding agency for the nine-county San Francisco Bay Area MTC is issuing this Request for Proposal (RFP) for the Transit Performance Monitoring Program. The resulting contract will have a three year term. The Transit Performance Monitoring Program includes Transportation Development Act (TDA) performance audits, the Regional Measure 2 (RM2) program performance review, and other performance review professional services.

NOTE: This RFP was first issued by MTC on August 21, 2009. The original procurement was cancelled. The only substantive change is in the conflict of interest policy on Page 3 of the Letter of Invitation and Page 2 of the Request for Proposal, Section III, Conflict of Interest Policy-TDA Audits, to allow an incumbent contractor for MTC's transit performance monitoring program to submit a proposal for the new procurement. In addition, the end date of the proposed contract has been revised; there will be no proposers' conference or request for best and final offer; and the period for protesting RFP provisions has been shortened to three business days.

This letter, together with its enclosures, comprises the formal RFP for these projects. Responses to this RFP should be submitted in accordance with the instructions stated herein.

Proposal Due Date

Interested firms must submit one (1) original, and four (4) copies of their proposal, by 4:00 p.m., Wednesday, November 18, 2009. Proposals received after this date and time will not be considered.

Proposals will be considered firm offers to enter into a contract and perform the work described in this RFP for a period of sixty (60) days from the date of submittal.

MTC Point of Contact

Proposals and all inquiries relating to this RFP shall be submitted to the Project Manager at the address shown below. For telephone inquiries, call (510) 817-5869, Fax: (510) 817-5848; E-mail inquiries may be directed to <cverdin@mtc.ca.gov>.

Christina Verdin, Transit Coordinator
Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700

The MTC Project Manager is the sole source of contact for inquiries related to this RFP. Proposers for this project are requested not to contact the operators for information regarding performance audits or this RFP.

Scope of Work, Schedule and Budget

A preliminary scope of work is set out in *Appendix A*, which describes the specific tasks and deliverables under this RFP.

The contract resulting from this RFP will have the term of approximately three years, beginning in December 2009 or January 2010 and ending on October 31, 2012. The audits of the transit operators, along with the audit of MTC, are divided into three parts, as follows:

Part 1 – Transportation Development Act (TDA) Triennial Audits – California Public Utilities Code Section 99246 requires that transportation planning agencies, such as MTC, designate independent entities to conduct performance audits of their activities and of the activities of each transit operator to whom they allocate funds under Article 4 of the Transportation Development Act (TDA). These audits are required triennially and are to be submitted to the State of California. For this part of the work scope, the consultant shall be expected to conduct the required TDA performance audits of MTC activities and of the activities of each transit operator to whom MTC allocates funds under Article 4 of the TDA. The purpose of the audits is to systematically evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited.

Part 2 - Regional Measure 2 Program Performance Review (RM2) – For this part of the work scope, the consultant shall be expected to perform a performance measure analysis of transit operations projects that are identified in the Regional Traffic Relief Plan of Regional Measure 2.

Part 3 – Other Performance Review Professional Services – For this part of the work scope, the consultant may be asked to assist in the following types of services, including but not limited to: peer group performance and/or cost comparison; best practice review and synthesis for transit efficiency; independent assessment of cost reform options and review of current standards, goals, and objectives; recommendations on region-wide

performance metrics; or recommendations on specific projects or progress in implementing Productivity Improvement Program Projects.

A budget not to exceed \$650,000 has been established, broken down as follows:

- For the TDA performance audit work, the estimated budget for each of the three years of the proposed contract is \$65,000 in year one, and \$60,000 in years two and three, for a total of \$185,000;
- For the RM2 Operating Program performance review work, the estimated budget for each of the three years is \$55,000 for a total of \$165,000; and
- For the Other Performance Review Professional Services task, the total estimated budget is \$300,000.

Requests for Exceptions

Any requests for clarification, or questions regarding RFP requirements, or requests for exceptions to or modifications of RFP provisions must be received by MTC no later than Monday, November 9, 2009, by 5:00 PM, to guarantee response or consideration. Proposers are required to submit such requests on the form provided in *Appendix E, Requests for Exceptions or Modifications*. Contact the MTC Project Manager for an electronic copy of *Appendix E*.

Notice of Addenda

Any addenda to this RFQ that may be issued by MTC will be posted at <http://www.mtc.ca.gov/jobs/>; it is the proposer's responsibility to check for addenda to this RFP and comply with new or revised requirements that may be stated therein.

Conflict of Interest Policy

A conflict of interest in the performance audits contract may exist if, on the date of issuance of this RFP, the proposer has a current or pending contract or subcontract (not including the current transit performance monitoring program contract) with the entity to be audited or its governing body. If a Consultant has an existing or pending contract (not including MTC's current transit performance monitoring program contract) with MTC, it cannot be considered as a prime contractor for this audit contract.

If a Consultant wishes to submit a proposal but has a current or pending contract or subcontract with one or more of the operators to be audited, the Consultant must fully delegate the individual audit to a subcontractor who does not have a conflict of interest with the entity being audited. In the event that this is done, the consultant shall have no review authority over the subject matter of the audit.

Additional information concerning MTC's conflict of interest policy for performance audits is detailed in Section III of the RFP.

Proposal Evaluation

Proposals will be evaluated in accordance with the evaluation factors listed in Section V, Proposal Evaluation of the RFP. Interviews, if held, will occur on Wednesday, December 2, 2009. The contract, if awarded, will be firm fixed price, with payments made on the basis of receipt by MTC of satisfactory deliverables.

MTC reserves the right to accept or reject any or all proposals submitted, waive minor irregularities in proposals, request additional information or revisions to offers, and to negotiate with any or all proposers. Any contract award will be to the firm or team that presents the proposal that, in the opinion of MTC, is the most advantageous to MTC, based on the evaluation criteria in Section V.

Consultant Selection Timetable

The schedule for the Consultant selection process is as follows:

Monday, November 9, 2009, 5:00 PM	Closing Date for receipt of requests for clarifications/exceptions
Friday, November 13, 2009	Closing date for protest of RFP provisions (see RFP Section VI.E)
Wednesday, November 18, 2009, 4:00 PM	Closing Date and Time for receipt of proposals
Wednesday, December 2, 2009	Interviews (if necessary)
Wednesday, December 9, 2009	MTC Administration Committee Review
December 30, 2009 (approximate)	Execution of Consultant Contract

General Conditions

All materials submitted by proposers are subject to public inspection under the California Public Records Act (Government Code § 6250 *et seq.*), unless exempt.

A synopsis of MTC's contract provisions is enclosed for your reference as *Appendix D*. If a proposer wishes to propose a change to any standard MTC contract provision, the provision and the proposed alternative language must be submitted prior to the closing date for receipt of requests for clarifications/exceptions listed above. If no such change is requested, the consultant will be deemed to accept MTC's standard contract provisions.

The selected Consultant will be required to maintain insurance coverage, during the term of the contract, at the levels described in *Appendix D-1*. Each policy or policies shall include MTC as additional insureds and an endorsement providing that such insurance is primary insurance and no insurance of MTC will be called on to contribute to a loss. Requests to change MTC's insurance requirements should be submitted on or prior to the closing date for receipt of requests

insurance requirements should be submitted on or prior to the closing date for receipt of requests for clarifications/exceptions listed above. MTC will review the requests and issue an addendum if material changes requested by a prospective proposer are acceptable. Objections to MTC determinations on requests to change insurance requirements must be brought to MTC's attention no later than the date for protesting RFP provisions listed above. If such objections are not brought to MTC's attention consistent with the protest provisions of this RFP, compliance with all material insurance requirements will be assumed.

Authority to Commit MTC

Based on an evaluation conducted by an evaluation panel, the Executive Director of MTC will recommend a Consultant to the MTC Administration Committee, which will commit MTC to the expenditure of funds in connection with this RFP.

Thank you for your participation.

Sincerely,



Ann Flemer
Deputy Executive Director, Policy

AF: CV

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REQUEST FOR PROPOSAL

to the

METROPOLITAN TRANSPORTATION COMMISSION

for the

TRANSIT PERFORMANCE MONITORING PROGRAM

November 4, 2009

Metropolitan Transportation Commission
Joseph P. Bort MetroCenter
101 Eighth Street
Oakland, CA 94607-4700

TABLE OF CONTENTS

I.	BACKGROUND	1
A.	<i>TDA Performance Audits</i>	<i>1</i>
B.	<i>Regional Measure 2</i>	<i>1</i>
II.	SCOPE OF WORK, SCHEDULE AND BUDGET	1
III.	CONFLICT OF INTEREST POLICY – TDA AUDITS	2
IV.	FORM OF PROPOSAL	3
A.	<i>Transmittal Letter</i>	<i>3</i>
B.	<i>Title Page</i>	<i>3</i>
C.	<i>Table of Contents</i>	<i>3</i>
D.	<i>Overview and Summary</i>	<i>4</i>
E.	<i>Detailed Work Plan for Tasks 1 and 2</i>	<i>4</i>
F.	<i>Qualifications and References</i>	<i>4</i>
G.	<i>Description of Current and Pending Contracts with MTC and Operators to be Audited</i>	<i>5</i>
H.	<i>Cost Proposal</i>	<i>5</i>
I.	<i>California Levine Act Statement</i>	<i>5</i>
V.	PROPOSAL EVALUATION	5
A.	<i>Initial Evaluation</i>	<i>5</i>
B.	<i>Recommendation of Consultant</i>	<i>6</i>
VI.	GENERAL CONDITIONS	6
A.	<i>Limitations</i>	<i>6</i>
B.	<i>Award</i>	<i>6</i>
C.	<i>Binding Offer</i>	<i>6</i>
D.	<i>Contract Arrangements</i>	<i>7</i>
E.	<i>Selection Disputes</i>	<i>7</i>
F.	<i>Public Records</i>	<i>8</i>
	APPENDIX A, DESCRIPTION OF WORK, SCOPE OF WORK, AND IMPLEMENTATION SCHEDULE	9
I.	GENERAL	9
A.	<i>Implementation Schedule for TDA Triennial Audits</i>	<i>9</i>
B.	<i>Implementation Schedule for the RM2 Operating Program Performance Review</i>	<i>10</i>
C.	<i>Project Deliverables</i>	<i>10</i>
II.	SCOPE OF WORK	10
TASK 1:	TDA TRIENNIAL AUDIT OF MTC AND OF THE TRANSIT OPERATORS	10
A.	<i>General</i>	<i>10</i>
B.	<i>Background for the TDA Triennial Audit of MTC</i>	<i>11</i>
C.	<i>Background for the TDA Triennial Audit of the Transit Operators</i>	<i>11</i>
D.	<i>References and Available Resources</i>	<i>11</i>
Task 1.1	<i>Audit Survey of MTC</i>	<i>11</i>
Task 1.2	<i>Detailed Audit of MTC</i>	<i>12</i>
Task 1.3	<i>Pre-Audit MTC and Transit Operator Consultation</i>	<i>13</i>
Task 1.4	<i>TDA Compliance Audit</i>	<i>13</i>
TASK 2	REGIONAL MEASURE 2 (RM2) OPERATING PROGRAM PERFORMANCE REVIEW	15

<i>A. Background for Regional Measure 2 Operating Program Performance Review</i>	<i>15</i>
Task 2.1: Review and Monitoring of Transit Operations Performance Measures	16
TASK 3: OTHER PERFORMANCE REVIEW PROFESSIONAL SERVICES	17
APPENDIX A-1, DESCRIPTION OF MTC.....	18
<i>I. Authorities and Responsibilities</i>	<i>18</i>
<i>II. MTC Organization</i>	<i>19</i>
<i>III. Documentation Review for MTC Performance Audit</i>	<i>20</i>
<i>IV. External Entities to be contacted</i>	<i>21</i>
APPENDIX A-2, SPECIAL CONSIDERATIONS FOR AUDITS OF SMALL OPERATORS.....	22
APPENDIX A-3, SAMPLE RM2 OPERATING PROJECT REVIEW REPORT	24
APPENDIX B, COST AND PRICE ANALYSIS FORM.....	27
APPENDIX C, CALIFORNIA LEVINE ACT STATEMENT	29
APPENDIX D, SYNOPSIS OF PROVISIONS IN MTC’S STANDARD CONSULTANT AGREEMENT....	30
APPENDIX D-1, INSURANCE REQUIREMENTS.....	32
APPENDIX E, REQUESTS FOR EXCEPTIONS OR MODIFICATIONS.....	34

I. BACKGROUND

A. *TDA Performance Audits*

California Public Utilities Code Section 99246 requires that transportation planning agencies, such as MTC, designate independent entities to conduct performance audits of their activities and of the activities of each transit operator to whom they allocate funds under Article 4 of the Transportation Development Act (TDA). The purpose of the audits is to systematically evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited. These audits are required triennially and are to be submitted to the State of California.

The performance audits will determine if the audited agency has:

- Complied with pertinent laws and regulations;
- Established goals and objectives for its activities and programs,
- Developed standards to measure agency performance,
- Achieved desired program results, and
- Conducted its activities and utilized its resources in an efficient and economical manner.

MTC and the transit operators are audited in a three-year “round”: over the three year term of the proposed contract, the performance of MTC and all of the transit operators receiving TDA assistance from MTC will be audited by the selected consultant or team.

B. *Regional Measure 2*

On March 2, 2004, voters passed RM 2, raising the toll for all vehicles on the seven State-owned toll bridges in the San Francisco Bay Area, with auto tolls increasing by \$1.00. This extra dollar is to fund various congestion-reducing transportation projects within the region making improvements to travel in the toll bridge corridors. MTC administers the implementation of RM 2. The Bay Area Toll Authority (BATA) funds the RM 2 projects and is responsible for transferring bridge toll funds to MTC for allocation by the MTC Commission. MTC has developed policies and procedures for the administration of the RM2 projects, adopted as MTC Resolution 3636. Project sponsors and/or implementing agencies are the responsible agencies for making operating decisions on the individual RM2 operating projects.

II. SCOPE OF WORK, SCHEDULE AND BUDGET

A preliminary scope of work is set out in *Appendix A*, which describes the specific tasks and deliverables under this RFP.

The contract resulting from this RFP will have the term of approximately three years, beginning in December 2009/January 2010 and continuing through October 31, 2012. The audits of the transit operators, along with the audit of MTC, are divided into three parts, as follows:

Part 1 – Transportation Development Act (TDA) Triennial Audits –For this part of the work scope, the consultant shall be expected to conduct the required performance audits of MTC activities and of the activities of each transit operator to whom MTC allocates

funds under Article 4 of the TDA. The purpose of the audits is to systematically evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited.

Part 2 - Regional Measure 2 Program Performance Review (RM2) – For this part of the work scope, the consultant shall be expected to perform a performance measure analysis of transit operations projects that are identified in the Regional Traffic Relief Plan of Regional Measure 2.

Part 3 – Other Performance Review Professional Services – For this part of the work scope, the consultant may be asked to assist in the following types of services, including but not limited to: peer group performance and/or cost comparison; best practice review and synthesis for transit efficiency; independent assessment of cost reform options and review of current standards, goals, and objectives; recommendations on region-wide performance metrics; or recommendations on specific projects or progress in implementing Productivity Improvement Program Projects.

A budget not to exceed \$650,000 has been established, broken down as follows:

- For the TDA performance audit work, the estimated budget for each of the three years of the contract is \$65,000 in year one, \$60,000 in years two and three, for a total of \$185,000;
- For the RM2 Operating Program performance review work, the estimated budget for each of the three years is \$55,000 for a total of \$165,000; and
- For the Other Performance Review Professional Services task, the total estimated budget years is \$300,000.

III. CONFLICT OF INTEREST POLICY – TDA Audits

A conflict of interest in the performance audits contract may exist if, at the date of issuance of this RFP, the proposer has a current or pending contract or subcontract with the entity to be audited or its governing body. If a Consultant has an existing or pending contract with MTC (not including MTC's current transit performance monitoring program contract), it cannot be considered as a prime contractor for this audit contract.

The governing bodies of the entities to be audited are: the Boards of Directors of the Santa Clara Valley Transportation Authority ("VTA"), the Alameda-Contra Costa Transit District ("AC Transit"), the San Mateo County Transit District ("SamTrans"), the Bay Area Rapid Transit District ("BART"), the Golden Gate Bridge, Highway and Transportation District ("Golden Gate Transit"), the Central Contra Costa Transit Authority ("County Connection"), the Western Contra Costa Transit Authority ("WestCat"), the Eastern Contra Costa Transit Authority ("Tri Delta Transit"), the Livermore/Amador Valley Transit Authority ("LAVTA"), and the Napa County Transportation Planning Agency ("The Vine"); the San Francisco Municipal Transportation Agency Board of Directors in the case of the San Francisco Municipal Railway ("Muni"); the Sonoma County Board of Supervisors in the case of Sonoma County Transit; the city councils of the cities of Cloverdale (for "In-City Transit"), Petaluma (for "Petaluma Transit"), Santa Rosa (for "City Bus"), Union City (for "Union City Transit"), Benicia (for "Benicia Transit"), Fairfield (for "Fairfield-Suisun Transit"), Vallejo (for "Vallejo Transit" and

“Baylink”), Dixon (for “Readi-Ride”), Rio Vista (for “Delta Breeze”), and Vacaville (for “City Coach”); and the Commission of the Metropolitan Transportation Commission (not including the current Transit Performance Monitoring contract).

If a Consultant wishes to submit a proposal but has a pending or current contract or subcontract with one or more of the operators to be audited, the Consultant must fully delegate the individual audit(s) to a subcontractor(s) who does not have a conflict of interest with the entity being audited. In the event that this is done, the Consultant shall have no review authority over the subject matter of the audit.

The proposer awarded the performance audit contract by MTC may bid on other MTC contracts during the three-year term of the contract. However, the performance audit contract would be taken into consideration during the evaluation to determine the potential for an actual or apparent conflict of interest between the performance audit contract and the new project the Consultant proposes to perform. Thus, obtaining the performance audit contract may adversely affect a firm’s competitive standing in future Consultant selections.

IV. FORM OF PROPOSAL

Proposals should be thorough and complete. Although no page limitation will be imposed, clarity and terse expression are essential and will be considered in assessing the proposers' capabilities.

One (1) original, and four (4) hard copies of each proposal must be received at MTC at the address indicated in the Letter of Invitation by 4:00 PM on Wednesday, November 18, 2009. Proposals received after this date and time will not be considered.

In furtherance of MTC's resource conservation policy, proposers are asked to print proposals back to back and are encouraged to use recycled paper for all proposals and reports.

A. *Transmittal Letter*

A transmittal letter must be signed by an official authorized to solicit business and enter into contracts for the firm. The transmittal letter should include the name and telephone number of a contact person, if different from the signatory. The transmittal letter should also include a statement that the proposal is a binding offer to contract in accordance with the terms of this RFP for sixty (60) days.

B. *Title Page*

The title page should show the RFP subject, the name of the proposer’s firm, proposer’s mailing address, proposer’s telephone number, the name of the proposer’s contact person, and the date.

C. *Table of Contents*

The table of contents should include a clear identification of the material by section and page number.

D. Overview and Summary

This section should clearly convey the Consultant's understanding of the nature of the work and the general approach to be taken. In addition to demonstrating understanding of the role and function of a transit operator, the proposal should demonstrate sufficient understanding of the role and function of a regional transportation planning agency and metropolitan planning organization and provide on the proposed audit team individuals who are knowledgeable of and have experience in auditing the performance of this type of organization.

The Overview and Summary should include, but is not limited to, the following:

1. A discussion of the purpose of the project;
2. A summary of proposed approach; and
3. The assumptions made in selecting the approach.

E. Detailed Work Plan for Tasks 1 and 2

1. Discuss how the Consultant will conduct Tasks 1 and 2 of the Program, identify deliverables, and propose a preliminary schedule. The description of the proposed approach to performing the project should fully discuss the tasks in sufficient detail to demonstrate a clear understanding of the project. The schedule should show the expected sequence of tasks, subtasks, and important milestones. Note: The selected Consultant, in consultation with the MTC Project Manager, will develop a final work plan and schedule.
2. Provide a detailed staffing plan for Tasks 1 and 2 and their subtask. Identify all staff by name and the specific tasks for which each individual will be responsible.
3. Describe approach to managing resources and quality results, including a description of the role of any subcontractors, their specific responsibilities, and how their work will be supervised. Describe response mechanisms for dealing with problems and MTC concerns.

F. Qualifications and References

1. Provide brief resumes (one page maximum) for each key staff person assigned to the project, summarizing the individual's training and experience relevant to this project. Include resumes for key subcontractor personnel, as well.
2. Provide a brief description (one page maximum) of any previous projects similar in size and scope to the services requested herein *Appendix A, Scope of Work*, indicating the project title, timing, budget, sponsoring agency and sponsor project manager, and roles played by individuals proposed for this project. Please include the name of the contact person, agency for whom the work was performed, telephone number, e-mail, and year that the work was done. References may be checked for one or more of the final candidates.
3. List any contracts with MTC or any of the audited transit operators entered into by the Consultant or any of its subconsultants in the past three years, including a brief description of the scope of work, the contract amount, date of execution, and the agency.

4. Provide at least one sample of a written report prepared by key members of the Consultant team, identifying the authors. Only one copy is required, and the sample will be returned after proposal evaluation, upon request. Reports on projects similar in size and scope to the services requested herein *Appendix A*, Scope of Work, would be beneficial.

G. Description of Current and Pending Contracts with MTC and Operators to be Audited

The proposer shall list any current or pending contracts or subcontracts with MTC, an audited transit operator, or the governing board of such operator, as of the date of this RFP. MTC will review this information for potential conflicts of interest (*See* Section III, Conflict of Interest Policy, for a description of the prohibited interests).

H. Cost Proposal

Provide a full description of the expected expenditures of funds for Task 1 and 2 of *Appendix A*, Scope of Work. The cost proposal should include, but not be limited to, a task budget, a line item budget, and billing rates.

1. The task budget for each task should present a breakdown of hours and expenses by subtask and deliverable. It should identify or refer to key personnel or job descriptions in relation to each task to provide a full explanation of the resources committed to the project.
2. The line item budget should present a breakdown of costs for Tasks 1 and 2 combined by cost categories, key personnel and job classifications. The line item budget should be set forth on the Cost and Price Analysis Form attached hereto as *Appendix B* to this RFP. A line item budget should also be submitted for proposed subconsultants with contracts estimated to exceed \$25,000. (The Cost and Price Analysis Form is requested for evaluation purposes only. Payment for tasks 1 and 2 will be firm fixed price with payment made on the basis of receipt by MTC of satisfactory deliverables.)
3. Fully loaded hourly rates for key personnel, which may be used for payment of task orders under Task 3. Indicate rates over the three year period of the contract.

I. California Levine Act Statement

Submit a signed Levine Act statement (*Appendix C*).

J. Insurance

Submit a signed Insurance Provisions document (*Appendix D-1*).

V. PROPOSAL EVALUATION

A. Initial Evaluation

The MTC Project Manager will conduct an initial review of the proposals for general responsiveness and inclusion of the items requested in Section IV, Form of Proposal. Any proposal that does not include enough information to permit the evaluators to rate the proposal in any one of the evaluation factors listed below will be considered non-responsive. A proposal that fails to include one or more items requested in Section IV, Form of Proposal, may be

considered complete and generally responsive, if evaluation in every criterion is possible. Responsive proposals will then be evaluated by a panel of MTC staff and representatives from the transit operators to be audited, based on the following criteria, in relative order of importance:

- Individual project staff and firm qualifications and experience with performance audits, particularly transportation agency audits, public transit, transportation planning, and the issues and functional area(s) to be analyzed;
- Understanding of the purpose and requirements of the project and approach to conducting and completing the project, including but not limited to: proposed work plans and schedules; strategy for managing resources, including subcontractors' personnel and project output; and approach to dealing with project challenges or obstacles;
- Resource allocation (personnel and expenditures), in terms of quality and quantity, to key tasks, including the hours and appropriateness of personnel assigned to each task;
- Cost effectiveness; and
- Writing ability.

Following the initial evaluation, the panel may elect to recommend award of the contract to a particular proposer, or may interview a “short list” of proposers, consisting of those proposers reasonably likely, in the opinion of the panel, to get the award.

B. Recommendation of Consultant

The evaluation panel will recommend a proposer to the Executive Director. If approved by the Executive Director, the recommendation will be presented to the MTC Administration Committee for approval.

VI. GENERAL CONDITIONS

A. Limitations

This RFP does not commit MTC to award a contract or to pay any costs incurred in the preparation of a proposal in response to this RFP.

B. Award

Any award made will be to the Consultant whose proposal is most advantageous to MTC based on the evaluation criteria outlined above. MTC reserves the right to accept or reject any and all submitted proposals, to waive minor irregularities, and to request additional information from the proposers at any stage of the evaluation.

C. Binding Offer

A signed proposal submitted to MTC in response to this RFP shall constitute a binding offer from Consultant to contract with MTC according to the terms of the proposal for a period of sixty (60) days after the date of submission, which shall be the date proposals are due to MTC.

D. Contract Arrangements

The selected Consultant will be expected to execute a contract similar to MTC's Standard Consultant Agreement, which is summarized in *Appendix D, Synopsis of MTC's Standard Consulting Agreement*.

Particular attention should be paid to MTC's indemnification and insurance requirements, detailed in *Appendix D* and *Appendix D-I*, respectively. A copy of the standard agreement may be obtained from the Project Manager.

Requests for exceptions or modifications to provisions of the RFP, including appendices, must be brought to MTC's attention no later than the date for specified in the Letter of Invitation. If exceptions or modifications to RFP provisions are requested, the Proposer must electronically submit Form *Appendix E, Requests for Exceptions or Modifications*. Contact the MTC Project Manager for an electronic copy of *Appendix E*. MTC will review the requests and issue an addendum if material changes requested by a prospective proposer are acceptable. Objections to MTC determinations on requests to change insurance requirements must be submitted to MTC no later than the deadline for protests of RFP provisions in the Letter of Invitation. If such objections are not submitted by the deadline for protests, concurrence by the Proposer with all material provision of the RFP will be assumed.

The contract payment terms for Tasks 1 and 2 will be lump sum (firm fixed price) with payment made on the basis of receipt by MTC of satisfactory deliverables. Task orders issued under Task 3 may be compensated on a deliverables basis or by hourly rates plus expenses with a non-to-exceed amount, as determined by MTC.

E. Selection Disputes

A proposer may object to a provision of the RFP on the grounds that it is arbitrary, biased, or unduly restrictive, or to the selection of a particular consultant on the grounds that MTC procedures, the provisions of the RFP or applicable provisions of federal, state or local law have been violated or inaccurately or inappropriately applied by submitting to the MTC Project Manager a written explanation of the basis for the protest:

- 1) No later than three (3) working days prior to the date proposals are due, for objections to RFP provisions; or
- 2) No later than three (3) working days after the date the proposer is notified that it was found to be non-responsive; or
- 3) No later than three (3) working days after the date on which contract award is authorized or the date the proposer is notified that it was not selected, whichever is later, for objections to consultant selection.

Except with regard to initial determinations of failure to meet the minimum qualifications, the evaluation record shall remain confidential until the MTC Administration Committee authorizes award.

Protests of recommended awards must clearly and specifically describe the basis for the protest in sufficient detail for the MTC review officer to recommend a resolution to the MTC Executive Director.

The MTC Executive Director will respond to the protest in writing, based on the recommendation of a staff review officer. Authorization to award a contract to a particular firm by MTC's Administration Committee shall be deemed conditional until the expiration of the protest period or, if a protest is filed, the issuance of a written response to the protest by the Executive Director.

Should the Respondent wish to appeal the decision of the Executive Director, it may file a written appeal with the MTC Administration Committee, no less than three (3) working days after receipt of the written response from the Executive Director. The Administration Committee's decision will be the final agency decision.

F. Public Records

This RFP and any material submitted by a proposer in response to this RFP are subject to public inspection under the California Public Records Act (Government Code § 6250 *et seq.*), unless exempt by law. Proposals will remain confidential until the MTC Administration Committee has authorized award.

APPENDIX A,
DESCRIPTION OF WORK, SCOPE OF WORK, AND IMPLEMENTATION
SCHEDULE

I. GENERAL

The services to be performed by the selected Consultant (herein referred to as “Consultant”) consist of the following three projects:

1. TDA Triennial audits of MTC and transit operators;
2. RM2 Operating Program Performance Review; and
3. Other performance review professional services.

For this effort, the Consultant will report to the MTC Project Manager, who may establish one or more direct contacts with the project management staff in MTC’s Programming and Allocations Section.

A. Implementation Schedule for TDA Triennial Audits

The contract resulting from this RFP for the Triennial Audits under Task 1 will cover audits for a three Fiscal-Year (FY) period. The audit of MTC will occur with the first of three groups audited. The audits of the transit operators are divided into three groups, with the audits for each conducted as follows:

Group 1: Year One Audits

Covering Audit Period FYs 2006-07, 2007-08 and 2008-2009

Audited Entities:

MTC, San Francisco “Muni”; Santa Clara Valley Transportation Authority (“VTA”); Livermore Amador Valley Transit Authority (“LAVTA”); City of Union City (“Union City Transit”); City of Benicia (“Benicia Transit”); City of Fairfield (“Fairfield-Suisun Transit”).

Completion Date: June 2010

Group 2: Year Two Audits

Covering Audit Period FYs 2007-08, 2008-09 and 2009-10

Audited Entities:

Alameda Contra Costa Transit Authority (“AC Transit”) and “East Bay Paratransit;” San Francisco Bay Area Rapid Transit District (“BART”); Central Contra Costa Transit Authority (“County Connection”); County of Sonoma (“Sonoma County Transit”); City of Santa Rosa (“City Bus”); City of Petaluma (“Petaluma Transit”); and City of Healdsburg (“In-City Transit”).

Completion Date: June 2011

Group 3: Year Three Audits

Covering Audit Period FYs 2008-09, 2009-10 and 2010-2011

Audited Entities:

Golden Gate Bridge, Highway and Transportation District (“Golden Gate Transit”); San Mateo County Transit District (“SamTrans”); City of Vallejo (“Vallejo Transit” and “Baylink”); Eastern Contra Costa Transit Authority (“Tri Delta Transit”); Western Contra Costa Transit Authority (“WestCat”); Napa County Transportation Planning Agency (“the Vine”); City of Vacaville (“City Coach”); City of Dixon (“Readi-Ride”); and City of Rio Vista (“Delta Breeze”).
Completion Date: June 2012

B. Implementation Schedule for the RM2 Operating Program Performance Review

The contract resulting from this RFP will cover RM2 Operating performance reviews for the previous Fiscal-Year (FY) period. The scope of work under Task 2 describes a series of tasks related to development and implementation of the MTC RM2 Operating Program Performance Review. The services to be performed by Consultant shall consist of services requested by the Project Manager or a designated representative.

C. Project Deliverables

All references to written deliverables in this scope of work include one draft and one final version, unless otherwise specified. All draft deliverables will be reviewed and commented on by MTC with comments to be integrated into the final deliverable. A minimum of two weeks is necessary to review any draft written deliverable prior to finalization. Final deliverables shall be completed three working days after Consultant’s receipt of final MTC comments, unless otherwise noted.

II. SCOPE OF WORK

TASK 1: TDA TRIENNIAL AUDIT OF MTC AND OF THE TRANSIT OPERATORS

A. General

California Public Utilities Code Section 99246 requires that transportation planning agencies, such as MTC, designate independent entities to conduct performance audits of their activities and of the activities of each transit operator to whom they allocate funds under Article 4 of the Transportation Development Act (TDA). The purpose of the audits is to systematically evaluate the efficiency, effectiveness, and economy of the operation of the entity being audited. These audits are required triennially and are to be submitted to the State of California. The performance audits will determine if the audited agency has complied with pertinent laws and regulations. Chapter VI of the Supplement, “Final Audit Report Format,” provides details regarding the report preparation for transit operator performance audits, and should serve as the guide for the final MTC performance audit report.

The scope of work consists of a pre-audit consultation and the Compliance Audit. The Compliance Audit is based on an analysis of the five required TDA performance indicators and the operator’s compliance with various requirements of TDA law. The scope of work and deliverables for the audit are described in detail below.

Upon completion of the fiscal year groups of audits, the MTC Project Manager and the management of the audited operators will evaluate the Consultant activities in order to determine if any revisions should be made to the scope of work for the next fiscal year group of audits. A notice to proceed with the next fiscal year group of audits will be issued by the MTC Project Manager upon completion of the evaluation.

B. Background for the TDA Triennial Audit of MTC

An overview of MTC's organization, functions and responsibilities is included in this RFP as *Appendix A-1, Description of MTC*. Also included in *Appendix A-1* is a list of documentation to be reviewed and external entities to be contacted in the course of conducting the audit. An overview of the organization can be found in the Statistical Summary of Bay Area Transit Operators for Fiscal Years 1997-98 through 2007-2008, which can be located online at <http://www.mtc.ca.gov/library/statsum/StatSummary08.pdf>.

C. Background for the TDA Triennial Audit of the Transit Operators

The performance audits of transit operators in the MTC region shall consist of a systematic review to determine the extent to which operators of public transit systems have complied with pertinent laws and regulations. The audits of the transit operators pertain to both fixed route and demand responsive operations, whether operated directly or operated under contract.

D. References and Available Resources

A variety of reference materials including MTC's Transit System Performance Audit Guidebook and Supplement are on reserve at the MTC-ABAG Library. The MTC Transit System Performance Audit Guidebook ("Guide") was developed in two volumes in 1979 to assist consultants conducting performance audits of transit operators in the MTC region. A supplement to the Guide ("Supplement") was developed to provide updated assistance to Consultants, and supersedes Volume I of the Guide. The Supplement describes the process for performance audits of transit operators and is reflected in the scope of work contained in *Appendix A*. Volume II of the Guide contains sample audit work programs, questions and performance measures and indicators that may be useful to the consultant. The Supplement and Volume II of the Guide are available for review at the MTC-ABAG Library, or will be sent by mail upon request submitted to the MTC Project Manager. In addition to these materials, the Statistical Summary of Bay Area Transit Operators for Fiscal Years 1997-98 through 2007-2008 as well as copies of operators' Productivity Improvement Programs and prior year's Performance Audits are on reserve at the Library. The Statistical Summary of Bay Area Transit Operators for Fiscal Years 1997-98 through 2007-2008 provides a detailed profile of the Bay Area transit operators that will be the subjects of the audit.

Task 1.1 Audit Survey of MTC

The Consultant shall perform an Audit Survey, which is intended to provide the Consultant with a thorough overview of MTC's goals and objectives, functions, programs, activities, and management

control systems. During the survey, the Consultant should identify potential issues for further evaluation during the detailed audit.

There are eight major activities that should be completed by the Consultant during the Audit Survey:

- 1) Conduct preliminary activities;
- 2) Collect documentation;
- 3) Contact external entities;
- 4) Review documentation;
- 5) Meet with MTC's Administration Committee, Executive Director, Executive Management and staff;
- 6) Determine audit focus;
- 7) Develop scope of work and tailor audit procedures; and
- 8) Define audit requirements and schedule.

Appendix A-1, Description of MTC, of this RFP includes a list of the documentation that the Consultant should collect and the external entities that the Consultant should contact as part of the Audit Survey.

The Consultant shall prepare a written report documenting its findings from the Audit Survey. The Consultant shall then make an oral presentation of its findings and present to MTC staff and to MTC's Administration Committee. Based on the findings and guidance contained in Chapter VI of the Supplement, "Final Audit Report Format," a scope of work and audit plan will be finalized for Task 2 -- Detailed Audit.

Task 1.1 Deliverables: Written Report; Written Materials for Presentation; Scope of Work and Audit Plan

Completion Date: January 2010

Task 1.2 Detailed Audit of MTC

The Consultant shall accomplish the performance audit of MTC. In analyzing MTC's past activities, the Consultant should examine four separate but related areas of agency performance:

- Compliance Did MTC accomplish the tasks it is required to accomplish? Did MTC accomplish those tasks it committed itself to accomplish?
- Work Performance How well did MTC perform these tasks? Were MTC's products effective in achieving their purpose and did they represent an efficient use of resources?
- Management Performance Did MTC's Commission and management develop an effective and efficient management plan? Were available resources effectively organized and allocated to best achieve MTC's goals and objectives?
- Regional Impact To what extent has MTC had an impact on the development and performance of the regional transportation system?

The audit should present a reasonable picture of how MTC is performing in all four areas. However, depending on findings made during the Audit Survey, the Detailed Audit may focus on certain areas more than others. Such decisions should be discussed thoroughly with the MTC Project Manager and MTC Executive Management prior to finalizing the scope of work and audit plan for the Detailed Audit.

A balanced perspective should be maintained throughout the audit process, wherein agency achievements as well as potential areas for improvement are highlighted.

The Consultant shall prepare draft and final performance audit reports.

Task 1.2 Deliverables: Draft and Final Performance Audit Reports; and any and all working papers which supply data, analyses, or other relevant information supporting the conclusions and recommendations made in the draft and final reports.

Completion Date: June 2010

Task 1.3 Pre-Audit MTC and Transit Operator Consultation

At the beginning of each audit cycle, MTC will notify in writing each of the operators to be audited during the fiscal year. Prior to the beginning of each audit, the Consultant is required to schedule and conduct an audit entrance conference with MTC and the operator's management to discuss the scope of work and the schedule for the audit; and to identify any particular areas of concern that should be addressed. The entrance conference is to be held at the operator's offices. A final work plan should be developed based on comments received at the entrance conference. The MTC Project Manager must approve the audit work plan prior to the commencement of the audit.

Task 1 Deliverable: Audit Work Plan

Completion Date: November 2010

Task 1.4 TDA Compliance Audit

The compliance audit serves to verify the following five performance indicators, as required under Public Utilities Code (PUC) Section 99246(d) and defined in PUC Section 99247 of the TDA:

1. Operating Costs Per Passenger;
2. Operating Cost Per Vehicle Service Hour;
3. Passengers Per Vehicle Service Mile;
4. Passengers Per Vehicle Service Hour; and
5. Vehicle Service Hours Per Employee.

The Consultant is required to: (a) review and assess the operator's methods for collecting and reporting input variable data (i.e., validity, reliability); and (b) calculate the five TDA-mandated performance indicators using verified input variable data. (Note: PUC Section 99246(d) requires

a three year trend; however, MTC requires that the trend depict the three FY's of the audit period and the preceding three FY's using data from the prior triennial performance audit of the operator. The trend analysis applies to fixed route and demand responsive services, whether directly operated or operated under contract.)

Base data for computing the performance indicators should be derived from the National Transit Database reports for the operators that are federal grantees; for other operators the Consultant should use "prior year actual" data from the MTC TDA-STA claim application submitted annually by the operator.

The Consultant is required to verify that the operator's financial and service records are kept in accordance with the Uniform System of Accounts, and to review and assess the operator's compliance with each of the requirements listed in Figure 1 on the following page.

The product of the Compliance Audit is a Preliminary Report on the trends in the five TDA performance indicators, and the results of the Consultant's review and assessment of the operator's compliance with the requirements listed in Figure 1. The Consultant is required to transmit one electronic copy and bound copies of the Compliance Audit Preliminary Report to the operator's management (number of copies to be agreed upon by the Consultant and the operator's management) and to the MTC Project Manager (one electronic report and one copy). The Preliminary Report should include:

- Appropriate graphic depictions of the six-year trends in the performance indicators and in the input variables (e.g., line graphs for performance indicator trends; tables for input variables). The trend analysis must reflect cost components adjusted for inflation, and also reflect cost components not adjusted for inflation, using the Bay Area Consumer Price Index for each of the six years of the trend. The intent is to identify where inflation has had an impact on performance trends;
- The Consultant's commentary and conclusions pertaining the trend analysis;
- The Consultant's commentary and conclusions pertaining to the operator's data collection and reporting procedures, including any of the operator's accounting policies and practices which could materially affect the reliability of the data (e.g., capitalization of certain operating expenses);
- The Consultant's commentary and conclusions pertaining the operator's use of the Uniform System of Accounts; and.
- The Consultant's commentary and conclusions pertaining to the operator's compliance with each of the requirements listed in Figure 1.

Figure 1
Performance Audit Compliance Checklist for Transit Operators

PUC 99251; The California Highway Patrol (CHP) has, within the 13 months prior to each TDA claim submitted by an operator, certified the operator's compliance with Vehicle Code Section 1808.1 (pull notice program) following a CHP inspection of the operator's terminal.

PUC 99264; The operator does not routinely staff public transportation vehicles designed to be operated by one person with two or more persons.

PUC 99314.5(c); If the operator receives STA funds, the operator is not precluded by contract from employing part-time drivers or from contracting with common carriers.

PUC 99155; For any operator who received TDA Article 4 funds, if the operator offers reduced fares to senior citizens and disabled persons, applicant will honor the federal Medicare identification card, the California Department of Motor Vehicles disability ID card, the Regional Transit Connection Discount Card, or any other current identification card issued by another transit operator that is valid for the type of transportation service or discount requested; and if the operator offers reduced fares to senior citizens, it also offers the same reduced fare to disabled patrons.

PUC 99314.7, Govt. Code 66516, MTC Res. Nos. 2310, 2927; The operator has current SB 602 "joint fare revenue sharing agreements" in place with transit operators in the MTC region with which its service connects, and has submitted copies of agreements to MTC.

PUC 99246 (d); The operator has an established process in place for evaluating the needs and types of passengers being served. *(Consultant should provide a brief description of the process and tools an operator uses to assess passenger needs, how often the service is evaluated and the procedures by which the operator reviews the results and responds.)*

Task 1.4 Deliverable: Draft and Final Performance Audit Reports
Completion Date: June 2010; June 2011; and June 2012.

TASK 2 REGIONAL MEASURE 2 (RM2) OPERATING PROGRAM PERFORMANCE REVIEW

A. Background for Regional Measure 2 Operating Program Performance Review

The consultant selected as a result of this RFP shall conduct a performance review of projects funded through the Regional Measure 2 Operating Program (RM2).

MTC has developed policies and procedures for the administration of the RM2 projects, adopted as MTC Resolution 3636. Project sponsors and/or implementing agencies are the responsible agencies for making operating decisions on the individual RM2 operating projects.

MTC's key objective for a project monitoring and reporting program for the RM 2 operating program is to provide MTC and project sponsors with quantifiable measures on the performance of transit projects based on mandated performance measures. Consultant shall use the products of the project monitoring and reporting program to review project performance.

Pursuant to MTC Resolution No. 3636, RM2 operating program project sponsors, transit operators, must submit Operating Assistance Proposals (OAPs). Operating program project sponsors must submit annual certifications of meeting performance objectives.

All project information required from the RM2 project sponsors to implement the program will need to be requested by the Consultant through MTC. Information made available to the Consultant may include, but is not limited to:

- Operating Assistance Proposal (OAPs)
- MTC Commission RM2 Allocation Resolutions
- Funding reimbursement data from MTC's accounting system
- Transit operator performance measure data specific to operating related allocations.
- MTC shall have access to the project data as collected, prepared, and compiled by the Consultant for this project.

All pertinent Consultant review and analysis work on the projects is to be included in the reports to MTC. The Consultant may represent progress through both textual and graphical representations with the approval of the MTC project manager. A sample of the report format is provided as Appendix A-3. Note that the consultant's expertise will be primarily targeted to identifying areas of risk in the following areas:

- Significant changes to project scope, cost, and schedule;
- Progress of the service in achieving performance objectives.

The prime responsibility for developing and implementing remedies to resolve those risks resides with the project sponsor.

Task 2.1: Review and Monitoring of Transit Operations Performance Measures

The Consultant shall assist MTC staff in assembling data from the transit operator financial and performance audits as well as other appropriate sources and reviewing annual performance of transit operators receiving operating assistance. The Consultant will prepare a summary report of transit performance, with a comparison to established performance measures.

The Consultant shall review transit operator performance data. The Consultant shall summarize the performance findings annually, with special emphasis on any operators who are unable to meet performance expectations as set by MTC's RM2 policies. If corrective action plans are developed by project sponsors, the consultant will evaluate those plans.

Deliverable 2.1: Draft Report on Annual Transit Operator Performance on RM2 Projects
Completion Date: Annually, with draft reports due to MTC 15 working days after September 30 of each year.

Deliverable 2.2: Final Report on Annual Transit Operator Performance on RM2 Projects
Completion Date: Annually, with final reports due to MTC 25 working days after September 30 of each year.

TASK 3: OTHER PERFORMANCE REVIEW PROFESSIONAL SERVICES

MTC may request, by task order, additional project and program management services outside the scope of Tasks 1 and 2. MTC will contact the Consultant in advance of issuing such a task order. Payment terms (either firm fixed price or hourly rates plus expenses with a not-to-exceed amount) shall be separately negotiated and specified in the individual task orders. As directed by the MTC Project Manager, Consultant may be asked to assist with the following types of services, including but not limited to:

1. Peer group performance and/or cost comparison;
2. Best practice review and synthesis for transit efficiency – Bay Area, national and/or international;
3. Independent assessment of cost reform options and review of current standards, goals, and objectives
4. Recommendations on region-wide performance metrics; or
5. Recommendations on specific projects or progress in implementing Productivity Improvement Program Projects.

Appendix A-1, **Description of MTC**

I. Authorities and Responsibilities

MTC is the transportation planning, coordinating and financing agency for the nine-county San Francisco Bay Area. Created by the state Legislature in 1970, MTC functions as both the Regional Transportation Planning Agency (RTPA) and the Metropolitan Planning Organization (MPO) for the Bay Area.

Over the years, state and federal laws have given MTC an increasingly important role in funding Bay Area transportation improvements. As the RTPA for the Bay Area, MTC is responsible for allocating and administering TDA and State Transit Assistance funds. Additionally, MTC administers certain local sales tax funds available to BART, AC Transit and Muni, and certain toll bridge funds available for transit capital purposes. In 1997, the state Legislature transferred to MTC (from Caltrans) the responsibility for administering the base \$1 toll from the Bay Area's seven state-owned toll bridges. A new entity, the Bay Area Toll Authority (BATA) was created for this purpose. BATA also oversees the Regional Measure 2 Traffic Relief Plan, which is funded by a voter-approved \$1 toll hike that went into effect on the region's state-owned toll bridges on July 1, 2004. With the passage of Assembly Bill 144 in 2005, BATA assumed responsibility for administering all toll revenue from the region's state-owned toll bridges. AB 144 also established a Toll Bridge Project Oversight Committee — consisting of BATA's executive director, the director of the state Department of Transportation, and the executive director of the California Transportation Commission — to manage the state Toll Bridge Seismic Retrofit Program, which includes construction of a new east span for the San Francisco-Oakland Bay Bridge.

To foster consensus on funding priorities, MTC created the Bay Area Partnership, a consortium of public stakeholders, and local, state and federal agencies. With the cooperation of these partners, MTC programs state and federal funds available to the Bay Area. Operating within the Partnership framework are several Working Groups that act in a technical advisory capacity.

With the authority over BATA has come the duty to oversee the efficiency and effectiveness of the region's transportation system. MTC monitors transit operators' budgets, conducts performance audits and adopts annual transit productivity and coordination programs. The region MTC serves is unique in that there are eight primary public transit systems as well as numerous other local transit operators, which together carry an average annual ridership of about 500 million. The combined annual operating budget of the transit agencies is nearly \$2 billion, placing this region among the top transit operating budgets in the nation. In addition, there are numerous specialized services for elderly and disabled travelers, some 20,000 miles of local streets and roads, 1,400 miles of highways, six public ports and five commercial airports. The Bay Region includes nine counties and 100 cities. Over 7 million people reside within its 7,000 square miles.

To win state and federal support for regional priorities, whether in terms of funding or policy changes that may affect the Bay Area, MTC devotes considerable energy to advocacy efforts in both Sacramento and Washington.

In recent years, MTC also has added to its activities some “hands-on” projects to promote the efficient monitoring and operation of the regional transportation network. A pioneering, computer-based Pavement Management System developed by MTC staff is helping Bay Area cities and counties better maintain their local streets and roads. As the Service Authority for Freeways and Expressways (SAFE), MTC, in partnership with the CHP and California Department of Transportation (Caltrans), oversees the installation and operation of call boxes along Bay Area freeways and administers a roving tow truck service to quickly clear incidents from the region's most congested roadways. Through its Traffic Engineering Technical Assistance Program (TETAP), MTC assists local jurisdictions with projects that smooth the flow of traffic.

A pioneer in new transportation technologies (referred to as intelligent transportation systems), MTC sponsors a number of high-tech programs to smooth commutes and take the kinks out of intersystem travel. The 511 Traveler Information System provides real-time traffic conditions via the phone and a companion Web site located at 511.org. The system relies on an elaborate data-gathering network that MTC and Caltrans have been installing along area freeways in recent years. The 511 Traveler Information System also serves transit riders, linking callers with the phone centers at every Bay Area transit agency and offering personalized transit trip planning via the Web. MTC has been testing a universal smart card for paying transit fares – known as TransLink® - on select transit systems and routes, and has paved the way for regionwide deployment of the smart card, beginning with AC Transit and Golden Gate Transit in 2006. And, acting in its role as BATA, MTC oversees the FasTrak® electronic toll collection system, which speeds motorists’ passage across all eight bridges in the region.

II. MTC Organization

MTC has 19 Commission members (16 voting and 3 non-voting members) appointed for four-year terms by local and regional governmental agencies throughout the region. Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara - the Bay Area's most populous counties - have two voting Commissioners each. Marin, Solano, Napa and Sonoma each have one, as do two regional entities: ABAG and the Bay Conservation and Development Commission (BCDC). Each of the three non-voting entities (the State Business, Transportation and Housing Agency; U.S. Department of Transportation, and the U.S. Department of Housing and Urban Development) has one representative.

An Executive Director, is assisted by two Deputy Executive Directors. The Chair of the Commission heads the Commission and is voted upon by the Commission members. When fully staffed, MTC’s professional and support staff number approximately 160 employees, assigned to various departmental sections: Administrative and Technology Services, Bridge Oversight and Operations, Executive Office, Highway and Arterial Operations, Finance, Legislation and Public Affairs, Office of General Counsel, Planning, Programming and Allocations, and Transit Coordination and Information.

Much of the Commission's work is initially performed in committees designated as Standing Committees, Special Committees and Advisory Committees. Standing Committees are composed solely of Commissioners. The task of each of the seven standing Committees relates to the operations of the Commission or to its basic organizational tasks as follows:

Administration Committee - Charged with the oversight of the general operations and performance of the agency. Specific tasks include the review of the agency operating budget and approval of fund allocations for contracts not delegated to the Executive Director.

Bay Area Toll Authority Oversight Committee - Considers matters related to the Toll Bridge Accounts and the Regional Measure 1 (RM 1) Bridge Improvement Program.

Programming and Allocations Committee - Reviews all applications for state or federal funds and recommends allocation of various state and federal funds among eligible claimants and applicants within the region.

Planning Committee - Develops the region's annual transportation work program and program budget. Reviews planning issues and proposes revisions to the Regional Transportation Plan (RTP) and coordinates the RTP to other regional plans. It also recommends approval of the annual Transportation Improvement Program (TIP).

Operations Committee - Considers matters related to transportation system management and operational activities.

Legislation Committee — Develops MTC's legislative proposals, policy positions on major legislative and regulatory proposals, and represents the Commission in the legislative process and oversees the Commission's public information and citizen participation program.

Executive Committee - Acts on matters of urgency brought before it by the Chair between Commission meetings and acts on other matters assigned by the Commission or Chair.

Advisory Committees are authorized by the Commission's enabling legislation and anticipate the participation of other interested individuals and public and private groups. These committees are established either to assume responsibility for developing a particular element of the RTP, establish coordination with other regional agencies, or supervise the development of a specific task or program assigned to the Commission. Membership is not limited solely to Commissioners but depends upon the task to be performed by the Advisory Committee, and can involve the participation of private citizens or members of other public agencies. The Advisory Committees coordinate with the Commission through the Standing Committee appropriate for the type of policy being considered.

III. Documentation Review for MTC Performance Audit

The Consultant should request the documentation required for the audit of MTC, from MTC or other entities and operators. MTC management and staff will assist the Consultant in securing necessary, most current documentation, which should include:

- MTC policies, goals and objectives;

- MTC organization and staffing charts;
- Pertinent laws and regulations;
- MTC's Overall Work Program (OWP);
- Copies of management reports;
- MTC budget and annual reports;
- MTC procedural manuals;
- Previous performance audits or other reviews of the agency; and
- Key MTC products, including:
 - the Regional Transportation Plan (RTP)
 - the Transportation Improvement Program (TIP)
 - MTC Fund Application Manual
 - reports of special studies conducted within the past three years

IV. External Entities to be contacted

The Consultant should contact external entities interested in MTC and request their comments or concerns that may be addressed by the audit. Comments or requests for particular review must be provided in writing. Entities to be contacted should include, but not be limited to, the following:

Federal

- Federal Transit Administration
- Federal Highway Administration

Regional

- Association of Bay Area Governments
- Bay Conservation Development Commission
- Bay Area Air Quality Management District (BAAQMD)

State

- Caltrans (District 4 and Headquarters)
- California State Assembly (Transportation Committee)
- California State Senate (Transportation Committee)
- California Highway Patrol
- California Transportation Commission

Local

- Transit Operators
- Cities and Counties
- Paratransit Coordinating Councils
- Congestion Management Agencies
- Other members of the Bay Area Partnership

Appendix A-2, **Special Considerations for Audits of Small Operators**

Compliance audits are required of both multi-modal systems with more than 1000 vehicles and of one-vehicle, one-route operations. While the overall approach described in this supplement apply equally, in practice the focus and conduct of the audits of smaller scale systems must take into account their special needs and characteristics. Flexibility is allowed in determining the extent of the key issue analysis of the small operators. The audit process for small operators is described in detail below.

- **Compliance Audit**

The TDA performance measures analysis required under the compliance audit can be more challenging for small operations. The data management and reporting procedures are not sophisticated, often manual rather than computerized. The actual base data needed to construct the five TDA performance measures may not be systematically collected, may not conform to the formal TDA definitions, or in some cases, may not be available at all. Consequently, greater care must be taken to verify the validity and reliability of the data used to develop the performance measures.

However, once the Consultants are assured that the information is accurate, the performance measure analysis itself may prove more valuable for smaller scale systems. Compared to larger systems where many extraneous, intervening factors hinder the analysis, the reduced size and complexity of these operations often make it easier to identify the causes of observed trends. Therefore, if sound data are available to the Consultant, it may be useful to expand the performance indicator analysis beyond the five measures required under TDA law. The Consultant should discuss the possibility of an expanded analysis when setting the workscope with MTC.

- **Conduct of the Audit**

For small, municipally run systems, transit operations is often only one of many administrative responsibilities of the city or county.

Persons charged with various transit related tasks (e.g. data collection and reporting, finance, marketing) may be scattered throughout the city organization, and they are probably also responsible for many non-transit tasks. As a result, individuals dealing with transit functions may not possess extensive knowledge, and may have limited time to spend to address Consultant's questions, compared to the staffs of specific transit districts, authorities, or departments of large operations.

The Consultants should therefore take particular care to review the purpose and scope of the audit with city or county personnel, and identify the individuals within the administrative structure who are responsible for and will provide the needed information. This is especially critical in the case of contract services, where the private operator may possess data the city itself does not maintain. Consultants should also be considerate in defining terminology carefully, to assure that persons involved understand the nature of requests made of them. Early

clarification should reduce unnecessary duplication of effort by both Consultants and city staff, and help to establish communication and cooperation between the two parties.

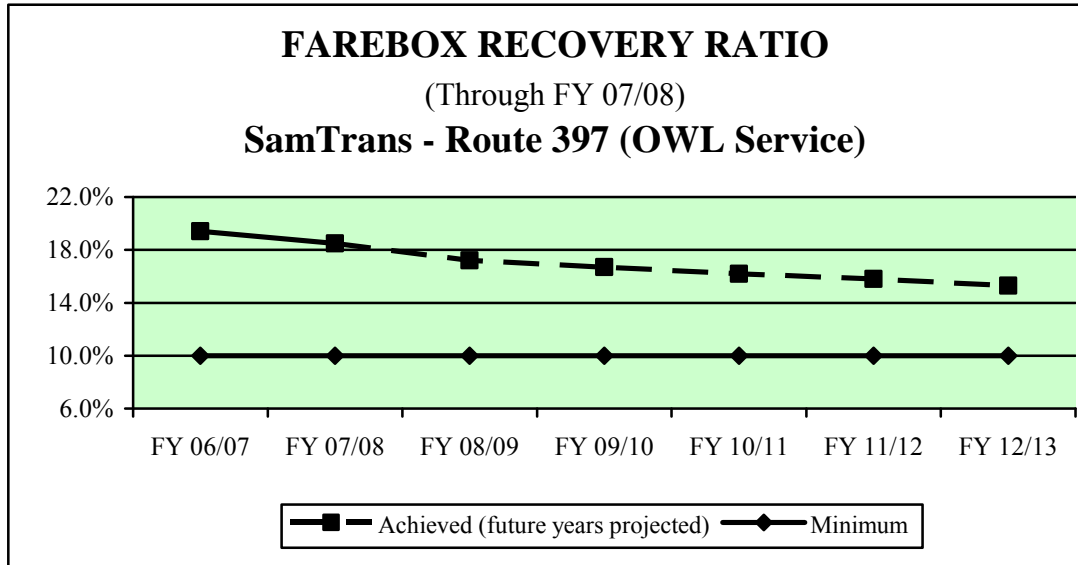
Appendix A-3,
Sample RM2 Operating Project Review Report

**ANNUAL MONITORING REPORT for the
BAY AREA TOLL AUTHORITY for FY 07/08**

REGIONAL MEASURE 2 OPERATING PROJECTS

**Operating Project No. 10 (SB 916)
SamTrans Route 397 (OWL Service)
Between Palo Alto and SF Transbay Terminal**

Sponsoring Agency:	San Mateo County Transit District
Contact Person:	(Ms./Mr.) Fname Lname (XXX)XXX-XXXX
Date of This Report:	November 2008
Service Started:	Ongoing
First Allocation:	FY 2005/06
Period Covered:	Fiscal Year 2007/08 (July 1, 2007 through June 30, 2008)
Performance Standard for Service	To meet or achieve by FY 07/08: a) Meet 10% minimum farebox ratio b) Maintain positive annual change in productivity
Farebox ratio achieved:	18.5% for FY 07/08, down from 19.4% in FY 06/07.
Productivity achieved:	13.2 passengers/hour for FY 07/08, up from 11.9 in FY 06/07
Project Status:	MEETS required minimum farebox ratio for FY 07/08. Projections show maintaining required ratio.



**SAMTRANS - ROUTE 397 OWL SERVICE Between
Palo Alto Caltrain Station and SF Transbay Terminal - (Legislative Project #10)**

	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	FY 12/13
	<i>Prior Year audited*</i>	<i>Last Year actual **</i>	<i>projected</i>	<i>projected</i>	<i>Future Years projected</i>	<i>projected</i>	<i>projected</i>
RM 2 Funding							
Start-Up Costs (not part of Oper. Costs)	none	none	none	none	none	none	none
BUDGET							
Total Oper. Cost	\$ 659,763	\$ 738,261	\$ 744,540	\$ 766,877	\$ 789,883	\$ 813,579	\$ 837,987
Fare Revenue	\$ 127,796	\$ 136,571	\$ 128,148	\$ 128,148	\$ 128,148	\$ 128,148	\$ 128,148
Reg. Measure 2 Funding	\$ 100,000	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500	\$ 101,500
Other Sources	\$ 431,967	\$ 500,190	\$ 514,892	\$ 537,229	\$ 560,235	\$ 583,931	\$ 608,339
Total Revenues	\$ 659,763	\$ 738,261	\$ 744,540	\$ 766,877	\$ 789,883	\$ 813,579	\$ 837,987
SERVICE PARAMETERS							
Annual Ridership	60,476	67,401	60,500	60,500	60,500	60,500	60,500
Annual Rev Vehicle Hrs (RVH)	5,082	5,095	5,082	5,082	5,082	5,082	5,082
PERFORMANCE MEASURES							
Farebox Recovery Ratio	19.4%	18.5%	17.2%	16.7%	16.2%	15.8%	15.3%
Passengers/RVH	11.90	13.23	11.90	11.90	11.90	11.90	11.90
% Change in Pass./RVH	n/a	11.2%	-10.0%	0.0%	0.0%	0.0%	0.0%

* represent audited figures as reported in FY 06/07 Annual Monitoring Report.

Projected data (FY 08/09 and out) from latest OAP application (for FY 07/08 allocation). NOTE: FY 08/09 OAP not submitted at time of report.

** represents figures from agency invoices submitted to MTC

Performance Standards (MTC Policy)

Farebox Recovery Ratio - Minimum of 10% (Owl Service)

Change in Pass./RVH - Maintain Positive Annual Change

PROJECT BACKGROUND

Project Description	The San Mateo County Transit District was operating <u>Route 397-Owl Service</u> for several years prior to RM2 funding. The route, originating at the Palo Alto Caltrain station, operates along the BART corridor between the San Francisco International Airport and the Transbay Terminal in downtown San Francisco. At the terminal, the service connects through timed transfers with MUNI and AC Transit's Owl service.
Project Span of Service	Provides hourly service seven days a week, with three trips northbound and four trips southbound on weekdays, Saturdays, and Sundays. This allows the route to cover the periods when BART is not operating.
Recent Changes (if any)	As of the date of this report (November 2008), no significant changes have been made to the service since the last report.
Problem Areas	NONE. Service meets required farebox ratio. Projections show that service will continue to meet ratio. Projections for ridership show no growth over the five year period.
Proposed Actions to Improve Performance	No action proposed. Will continue to monitor ridership and revenue trends. Future fare increases undefined at this time, but will impact revenue and ridership.

Appendix B, Cost and Price Analysis Form

COST AND PRICE ANALYSIS - RESEARCH AND DEVELOPMENT CONTRACTS				
This form is to be used in lieu of FAA Form 3515 as provided under FAPR 2-16.260-2, it will be executed and submitted with proposals in response to "Requests for Proposals," for procurement of research and development services. If your cost accounting system does not permit analysis of costs as required, contact the purchasing office for further instructions.			PURCHASE REQUEST NUMBER	
NAME AND ADDRESS OF OFFERER		TITLE OF PROJECT		
DETAIL DESCRIPTION		ESTIMATED HOURS	RATE/HOUR	TOTAL ESTIMATED COST (Dollars)
1. DIRECT LABOR(Specify)				
TOTAL DIRECT LABOR				
2. BURDEN (Overhead-specify) Dept. or Cost Center		Burden Rate	X BASE	BURDEN (\$)
TOTAL BURDEN				
3. DIRECT MATERIAL				
TOTAL MATERIAL				
4. SPECIAL TESTING (Including field work at Government installations)				
TOTAL SPECIAL TESTING				
5. SPECIAL EQUIPMENT (If direct charge - specify in Exhibit B on reverse				
6. TRAVEL (If direct charge)				
a. TRANSPORTATION				
b. PER DIEM OR SUBSISTENCE				
TOTAL TRAVEL				
7. CONSULTANTS (Identify - purpose - rate)				
TOTAL CONSULTANTS				
8. SUBCONTRACTORS (Specify in Exhibit A on reverse)				
9. OTHER DIRECT COSTS (Specify in Exhibit B on reverse - explain royalty costs, if any)				
10. TOTAL DIRECT COST AND BURDEN				
11. GENERAL AND ADMINISTRATIVE EXPENSE (Rate % of item nos.)				
12. TOTAL ESTIMATED COST				
13. FIXED FEE OR PROFIT (State basis for amount in proposal)				
14. TOTAL ESTIMATED COST AND FIXED FEE OR PROFIT				

[illegible]

Appendix C,
California Levine Act Statement

California Government Code § 84308, commonly referred to as the “Levine Act,” precludes an officer of a local government agency from participating in the award of a contract if he or she receives any political contributions totaling more than \$250 in the 12 months preceding the pendency of the contract award, and for three months following the final decision, from the person or company awarded the contract. This prohibition applies to contributions to the officer, or received by the officer on behalf of any other officer, or on behalf of any candidate for office or on behalf of any committee.

The Metropolitan Transportation Commission (“MTC”) commissioners include:

Tom Azumbrado	Dorene M. Giacomini	Jon Rubin
Tom Bates	Federal D. Glover	Bijan Sartipi
Dave Cortese	Scott Haggerty	James P. Sperring
Dean J. Chu	Anne W. Halsted	Adrienne J. Tissier
Chris Daly	Steve Kinsey	Amy Rein Worth
Bill Dodd	Sue Lempert	Ken Yeager

1. Have you or your company, or any agent on behalf of you or your company, made any political contributions of more than \$250 to any BATA commissioner or GGBHTD director in the 12 months preceding the date of the issuance of this request for qualifications?

☐ YES ☐ NO

If yes, please identify the commissioner or director: _____

2. Do you or your company, or any agency on behalf of you or your company, anticipate or plan to make any political contributions of more than \$250 to any BATA commissioner or GGBHTD director in the three months following the award of the contract?

☐ YES ☐ NO

If yes, please identify the commissioner or director: _____

Answering yes to either of the two questions above does not preclude BATA from awarding a contract to your firm. It does, however, preclude the identified commissioner(s) from participating in the contract award process for this contract.

DATE

(SIGNATURE OF AUTHORIZED OFFICIAL)

(TYPE OR WRITE APPROPRIATE NAME, TITLE)

(TYPE OR WRITE NAME OF COMPANY)

Appendix D,
Synopsis of Provisions in MTC's Standard Consultant Agreement

In order to provide bidders with an understanding of some of MTC's standard contract provisions, the following is a synopsis of the major requirements in our standard agreement for professional services. A copy of MTC's standard agreement may be obtained from the Project Manager for this RFP.

Termination: MTC may, at any time, terminate the Agreement upon written notice to Consultant. Upon termination, MTC will reimburse the Consultant for its costs for incomplete deliverables up to the date of termination. Upon payment, MTC will be under no further obligation to the Consultant. If the Consultant fails to perform as specified in the agreement, MTC may terminate the agreement for default by written notice, and the Consultant is then entitled only to compensation for costs incurred for work products acceptable to MTC, less the costs to MTC of rebidding.

Insurance Requirement: See *Appendix D-I*.

Independent Contractor: Consultant is an independent contractor and has no authority to contract or enter into any other agreement in the name of MTC. Consultant shall be fully responsible for all matters relating to payment of its employees including compliance with taxes.

Indemnification: Consultant agrees to defend, indemnify and hold MTC harmless from all claims, damages, liability, and expenses resulting from any act or omission of Consultant in connection with the agreement. Consultant agrees to defend any and all claims, lawsuits or other legal proceedings brought against MTC arising out of Consultant's acts or omissions. The Consultant shall pay the full cost of the defense and any resulting judgments.

Data Furnished by MTC: All data, reports, surveys, studies, drawings, software (object or source code), electronic databases, and any other information, documents or materials ("MTC Data") made available to the Consultant by MTC for use by the Consultant in the performance of its services under this Agreement shall remain the property of MTC and shall be returned to MTC at the completion or termination of this Agreement. No license to such MTC Data, outside of the Scope of Work of the Project, is conferred or implied by the Consultant's use or possession of such MTC Data. Any updates, revisions, additions or enhancements to such MTC Data made by the Consultant in the context of the Project shall be the property of MTC.

Ownership of Work Product: All data, reports, surveys, studies, drawings, software (object or source code), electronic databases, and any other information, documents or materials ("Work Product") written or produced by the Consultant under this Agreement and provided to MTC as a deliverable shall be the property of MTC. Consultant will be required to assign all rights in copyright to such Work Product to MTC.

Personnel and Level of Effort: Personnel assigned to this Project and the estimated number of hours to be supplied by each will be specified in an attachment to the Agreement. No substitution of personnel or substantial decrease of hours will be allowed without prior written approval of MTC.

Subcontracts: No subcontracting of any or all of the services to be provided by Consultant shall be allowed without prior written approval of MTC. MTC is under no obligation to any subcontractors.

Consultant's Records: Consultant shall keep complete and accurate books, records, accounts and any and all work products, materials, and other data relevant to its performance under this Agreement. All such records shall be available to MTC for inspection and auditing purposes. The records shall be retained by Consultant for a period of not less than four (4) years following the fiscal year of the last expenditure under this Agreement.

Prohibited Interest: No member, officer or employee of MTC can have any interest in this agreement or its proceeds and Consultant may not have any interest which conflicts with its performance under this Agreement.

Governing Law. The agreement shall be governed by the laws of the State of California.

Appendix D-1, Insurance Requirements

Minimum Insurance Coverages. CONSULTANT shall, at its own expense, obtain and maintain in effect at all times the following types of insurance against claims, damages and losses due to injuries to persons or damage to property or other losses that may arise in connection with the performance of work under this Agreement, placed with insurers with a Best's rating of A-X or better.

Yes (✓)	Please certify by checking the box below that required coverage's will be provided within five (5) days of MTC's notice to firm that it is the successful proposer.
_____	<u>Workers' Compensation Insurance</u> in the amount required by the applicable laws, and Employer's Liability insurance with a limit of not less than \$1,000,000 per employee and \$1,000,000 per occurrence, and any and all other coverage of CONSULTANT's employees as may be required by applicable law. Such policy shall contain a Waiver of Subrogation endorsement in favor of MTC. Such Workers Compensation & Employers Liability may be waived, if and only for as long as CONSULTANT is a sole proprietor with no employees.
_____	<u>Commercial General Liability Insurance</u> for Bodily Injury and Property Damage liability, covering the operations of CONSULTANT and CONSULTANT's officers, agents, and employees and with limits of liability which shall not be less than \$1,000,000 combined single limit per occurrence with a general aggregate liability of not less than \$2,000,000, and Personal & Advertising Injury liability with a limit of not less than \$1,000,000. Expense for Indemnitee's defense costs shall be outside of policy limits and such policy shall be issued on a Duty to Defend Primary Occurrence Form. MTC, and its commissioners, officers, representatives, agents and employees are to be named as additional insureds. Such insurance as afforded by this endorsement shall be primary as respects any claims, losses or liability arising directly or indirectly from CONSULTANT's operations.
_____	<u>Business Automobile Insurance</u> for all automobiles owned, used or maintained by CONSULTANT and CONSULTANT's officers, agents and employees, including but not limited to owned, leased, non-owned and hired automobiles, with limits of liability which shall not be less than \$1,000,000 combined single limit per occurrence.
_____	Property Insurance covering CONSULTANT'S own business personal property and equipment to be used in performance of this Agreement, materials or property to be purchased and/or installed on behalf of MTC (if any), debris removal, and builders risk for property in the course of construction (if applicable). Coverage shall be written on a "Special Form" ("All Risk") that includes theft, but excludes earthquake, with limits at least equal to the replacement cost of the property. Such policy shall contain a Waiver of Subrogation in favor of MTC. If such insurance coverage has a deductible, the CONSULTANT shall also be liable for the deductible.

By signing below you acknowledge and agree to provide the required certificate of insurance providing verification of the minimum insurance requirements listed above within five (5) days of MTC's notice to firm that it is the successful proposer.

Representative Name and Title	
Name of Authorizing Official	
Authorized Signature	
Date	

NOTE: If you were unable to check "Yes" for any of the required minimum insurance coverages listed above, a request for exception to the appropriate insurance requirement(s) must be brought to MTC's attention no later than the date for protesting RFQ provisions. If such objections are not brought to MTC's attention consistent with the protest provisions of this RFQ, compliance with the insurance requirements will be assumed.

Appendix E,
REQUESTS FOR EXCEPTIONS OR MODIFICATIONS

RFP Section	Relevant Provision	<i>Requested Action</i>
	1.	
	2.	
	3.	
	4.	
	5.	